

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2006-55-C**

**May 5, 2006**

**IN RE:**

**Application of IPC Network Services, Inc.)  
for a Certificate of Public Convenience )  
and Necessity to Provide Resold Local )  
Exchange and Resold Long Distance )  
Telecommunications Services and for )  
Flexible Regulation of its Local Exchange )  
Services and Alternative Regulation of its )  
Long Distance Offerings )**

**STIPULATION**

This Stipulation ("Stipulation") is made by and among the Office of Regulatory Staff ("ORS") and IPC Network Services, Inc., ("IPC" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party").

WHEREAS, on February 9, 2006, the Company filed its application requesting, among other things, a Certificate of Public Convenience and Necessity to provide within the state of South Carolina resold local exchange and resold long distance telecommunications services, flexible regulation for its local exchange services pursuant to Order No. 98-165 in Docket No. 97-467-C, and alternative regulation for its interexchange services pursuant to South Carolina Code § 58-9-585 (Supp.1999) as was first granted by the Commission in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by Order No. 2001-997 in Docket No. 2000-407-C;

WHEREAS, on February 24, 2006, the Public Service Commission of South Carolina (the "Commission") issued a Notice of Filing and Hearing and set a return date of March 27, 2006;

WHEREAS, the hearing in the above captioned matter is scheduled to be heard before a Hearing Examiner on May 8, 2006;

WHEREAS, the South Carolina Telephone Coalition ("SCTC") filed a Petition to Intervene in this matter on February 28, 2006;

WHEREAS, on March 21, 2006 a stipulation between SCTC and IPC was filed with the Commission;

WHEREAS, on April 17, 2006, IPC mailed the direct testimony of Marianne Leitch to the Commission;

WHEREAS, the purpose of this proceeding is to review the application filed by the Company and its request for a Certificate of Public Convenience and Necessity;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide such services;

WHEREAS, ORS has reviewed the application and the financial data provided by the Company, and ORS has calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by the Company and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by the Company;

WHEREAS, as a result of its investigations, ORS has determined a) the Company intends to offer point-to-point private line services on a resold basis throughout the state;

44P  
SBH

b) the Company does not intend to offer prepaid calling cards; c) the officers of the Company possess sufficient technical and managerial abilities to adequately provide the services applied for; d) based upon the information provided and the analysis performed, the Company appears to have the financial resources necessary to provide the services proposed in its application; e) certain revisions should be made to the Company's proposed tariffs in order to comply with Commission statutes and regulations; f) the services provided by the Company will meet the service standards required by the Commission; g) the provision of local services by the Company will not adversely impact the availability of affordable local exchange service; h) to the extent it is required to do so by the Commission, the Company will participate in the support of universally available telephone service at affordable rates; i) the provision of local and interexchange services by the Company will not adversely impact the public interest; and j) the Company's private line services are not interconnect to the public switched telephone network, but in the event the lines are to be interconnected, the Company agrees it will initiate negotiations with one or more of the incumbent local exchange carriers for interconnection or for commercial agreements applicable to services to be provided in South Carolina.

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket.

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

99P  
SBI+

- 1) The Parties agree to stipulate into the record before the Commission this Stipulation. The Parties also agree to stipulate to the pre-filed testimony of IPC Witness Marianne Leitch who will be presented without cross-examination by ORS;
- 2) IPC agrees to submit into the record before the Commission revised tariffs in accordance with ORS recommendations and to file those tariffs with both the Commission and ORS;
- 3) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide resold local exchange and resold long distance telecommunications services; within the State of South Carolina;
- 4) ORS does not oppose the Company's request for waiver of 26 S.C. Code Ann. Regs. 103-610 (location of books and records) as the Company has set forth in Ms. Leitch's testimony it will provide the books and records to the Commission or ORS, upon request, on an expedited basis and at the Company's expense, 103-631 (publication of directories), and any Commission rules or policies requiring a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA");
- 5) ORS does not oppose the Company's request that the Commission allow it to employ a flexible local exchange rate structure as described in its application and as first authorized by the Commission in Order No. 98-165 in Docket No. 97-467-C; ORS does not oppose the Company's request that its interexchange services be subject to alternative regulation, pursuant to South Carolina Code § 58-9-585 (Supp.1999), as was first granted by the Commission in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, and as modified by Order No. 2001-997 in Docket No. 2000-407-C

AP  
SDH

- 6) IPC agrees to resell the services of only those interexchange carriers or local exchange carriers authorized to do business in South Carolina by the Commission;
- 7) When appropriate and upon request, the Company agrees to engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;
- 8) IPC agrees that the Company will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;
- 9) The Company agrees to file necessary financial information with the Commission and ORS for universal service fund reporting, annual reporting and/or gross receipts reporting and remit fees as applicable and appropriate;
- 10) The Company agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, the Company agrees to adhere to the Federal Communication Commission rules 47 C.F.R. §§ 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, the Company shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;
- 11) Should the Company become interconnected to the public switched telephone network, the Company agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a

“Public Safety Communications Center” also known as “911 service.” At that time, the Company agrees to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding the Company’s operations. Attached as Exhibit 1 to this Stipulation is a memorandum from the State 911 Office which provides contact information for the County 911 Coordinators;

12) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B) (added by Act 175). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... ‘public interest’ means a balancing of the following:  
(1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;  
(2) economic development and job attraction and retention in South Carolina; and  
(3) preservation of the financial integrity of the State’s public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Stipulation reached among the Parties serves the public interest as defined above;

13) The Parties agree to advocate that the Commission accept and approve this Stipulation in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any

Commission order issued approving this Stipulation and the terms and conditions contained herein;

14) The Parties agree that signing this Stipulation will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation in its entirety without penalty or obligation;

15) This Stipulation shall be interpreted according to South Carolina law;

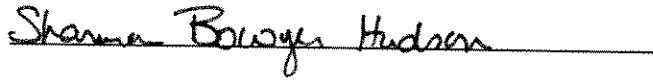
16) The above terms and conditions fully represent the Stipulation of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and electronic signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Stipulation. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation and the terms contained herein, then this Stipulation shall be null and void and will not be binding on any Party.

[SIGNATURE PAGE FOLLOWS]

A handwritten signature in black ink, appearing to be "GJP" with a flourish underneath.

WE AGREE:

**Representing the South Carolina Office of Regulatory Staff**

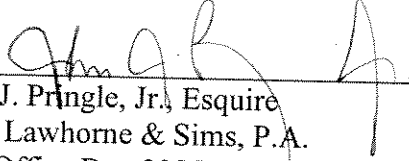
A handwritten signature in black ink, reading "Shannon Bowyer Hudson", is written over a solid horizontal line.

Shannon Bowyer Hudson, Esquire  
South Carolina Office of Regulatory Staff  
Post Office Box 11263  
1441 Main Street (Suite 300)  
Columbia, SC 29211  
Phone: (803) 737-0889  
Fax: (803) 737-0895  
Email: shudson@regstaff.sc.gov



WE AGREE:

**Representing IPC Telecomm, Incorporated**



---

John J. Pringle, Jr., Esquire  
Ellis, Lawhorne & Sims, P.A.  
Post Office Box 2285  
1501 Main Street, 5<sup>th</sup> Floor  
Columbia, South Carolina 29202  
Phone: (803) 3343-1270  
Fax: (803) 779-4749  
Email: [jpringle@ellislawhorne.com](mailto:jpringle@ellislawhorne.com)

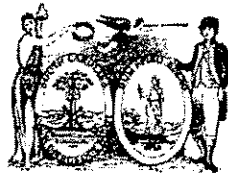
STATE OF SOUTH CAROLINA  
*State Budget and Control Board*

OFFICE OF RESEARCH & STATISTICS

MARK SANFORD, CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

RICHARD ECKSTROM  
COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.  
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARRELL, JR.  
CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK W. FUSCO  
EXECUTIVE DIRECTOR

REMBERT C. DENNIS BUILDING  
1000 ASSEMBLY STREET, SUITE 425  
COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers  
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at [www.ors.state.sc.us/digital/E-911.ASP](http://www.ors.state.sc.us/digital/E-911.ASP). If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

EXHIBIT 1

ECONOMIC RESEARCH  
WILLIAM GILLESPIE  
(803) 734-3805

GEODETIC SURVEY  
5 GEOLOGY ROAD  
COLUMBIA, S.C. 29210  
LEWIS LAPINE  
(803) 896-7700

DIGITAL CARTOGRAPHY  
(803) 734-3802

HEALTH & DEMOGRAPHICS  
STATISTICS  
1919 BLANDING STREET  
COLUMBIA, S.C. 29201  
WALTER P. BAILEY, M.P.H.  
(803) 898-9941